

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Friends of Ronnie Shows and
Cecil Brown, as treasurer)

MURs 5017 and 5205

CONCILIATION AGREEMENT

Matter Under Review ("MUR") 5017 was initiated by a signed, sworn, and notarized complaint by the National Republican Congressional Committee. MUR 5205 was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe Friends of Ronnie Shows and Cecil Brown, as treasurer violated 2 U.S.C. §§ 441a(1), 441f, 441b(a), 441g and 431(b). Cecil Brown is only named in this agreement in his official capacity as the current treasurer of the Committee. He was not the treasurer at the time the offenses were committed.

NOW THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts and violations of law in this matter are as follows:

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1 1. Friends of Ronnie Shows was the principal campaign committee of Clifford Ronald
2 Shows for his campaign for the Democratic nomination for the United States House of
3 Representatives (Mississippi's 9th District) in the 1998 primary.

4 2. Cecil Brown is the treasurer of Friends of Ronnie Shows.

5 3. Under the Federal Election Campaign Act of 1971, as amended, ("the Act") a
6 contribution is a gift, subscription, loan, advance, deposit of money, or anything of value made
7 by a person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A);
8 11 C.F.R. § 100.7(a)(1). A person is prohibited from making contributions to any candidate and
9 his or her authorized political committees with respect to any election for federal office which, in
10 the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). Contributions which on their face, or
11 when aggregated with other contributions from the same contributor, exceed the Act's
12 contribution limitations shall be refunded within 60 days, redesignated, or reattributed.
13 11 C.F.R. §§ 103.3(b)(3); 110.1(b)(2); 110.1(k)(3). Political committees are prohibited from
14 accepting contributions in excess of these limitations. 2 U.S.C. § 441a(f).

15 4. The Act limits contributions from multicandidate political committees to the principal
16 campaign committees of federal candidates with respect to any election to \$5,000. 2 U.S.C.
17 § 441a(a)(2)(A). Political committees are prohibited from accepting contributions in excess of
18 these limitations. 2 U.S.C. § 441a(f).

19 5. The Act and Commission regulations prohibit contributions in the name of another.
20 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b). No person shall make a contribution in the name of
21 another person or knowingly permit his name to be used to effect such contribution. *Id.* No
22 person shall knowingly accept a contribution made by one person in the name of another. *Id.*

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1 6. Political committees are prohibited from accepting corporate contributions. 2 U.S.C.
2 441b(a). Contributions that present genuine questions as to whether they were made by
3 corporations may be, within ten days of receipt, either deposited or returned to the contributor.
4 11 C.F.R. § 103.3(b)(1). If deposited, the treasurer shall make best efforts to determine the
5 legality of the contribution. *Id.* If the contribution cannot be determined to be legal, the treasurer
6 shall refund the contribution within 30 days. *Id.*

7 7. The Act prohibits contributions of United States currency to or for the benefit of any
8 candidate with respect to any such candidate for nomination for election, or for election, to
9 federal office, which, in the aggregate, exceed \$100. 2 U.S.C. § 441g. The amount of an
10 anonymous cash contribution in excess of \$50 shall be promptly disposed of, and may be used
11 for any lawful purpose unrelated to any federal election, campaign, or candidate. 11 C.F.R.
12 § 110.4(c).

13 8. The Act requires principal campaign committees to file periodic reports of receipts and
14 disbursements. 2 U.S.C. § 434(a). Reports required to be filed under section 434 of the Act shall
15 identify each person who makes a contribution during the reporting period, whose contributions
16 have an aggregate amount in excess of \$200 within the calendar year, together with the date and
17 amount of any such contribution. 2 U.S.C. § 434(b)(3)(A). "Identification" means, in the case of
18 any individual, the name, mailing address, and the occupation of such individual, as well as the
19 name of his or her employer. 2 U.S.C. § 431(13). Under the Act, when the treasurer of a
20 political committee shows that best efforts have been used to obtain, maintain, and submit
21 information required under the Act, the Committee's reports or records shall be considered in
22 compliance with the Act. 2 U.S.C. § 432(i).

1 9. The Audit Division found that the Committee accepted excessive contributions from
2 individuals totaling \$53,000 and excessive contributions from political committees totaling
3 \$3,000.

4 10. The Committee accepted a \$15,000 check from Mr. Carl Nicholson that was both
5 excessive and a contribution in the name of others. This amount included a \$1,000 contribution
6 from Mr. Nicholson and a \$1,000 contribution that was not attributed properly to his wife. The
7 remaining \$13,000 was contributed on behalf of 13 other individuals whose names were
8 provided to the Committee. The Committee initially reported these individuals as having made
9 \$1,000 contributions each. The Committee subsequently amended its report to show only one
10 \$15,000 contribution from Mr. Nicholson.

11 11. The Audit Division found that the Committee accepted \$5,850 in prohibited corporate
12 contributions.

13 12. The Audit Division found the Committee accepted \$9,205 in excessive currency
14 contributions and failed to properly itemize contributions from individuals.

15 13. Respondents contend that any errors committed in the 1998 campaign
16 were the result of inexperience and inadvertence on the part of the campaign of a
17 first-time candidate accustomed to operating under the different requirements of
18 State law.

19 14. Respondents further contend that once these errors were brought to light,
20 the campaign made every effort to cooperate with the Commission to rectify them.
21 For example, hiring an independent auditor, making refunds, and changing the
22 Committee's operations to bring it into full compliance with the Federal Election
23 Campaign Act and its implementing regulations.

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2 V. 1. The Respondents accepted excessive contributions from individuals in the amount
3 of \$53,000 in violation of 2 U.S.C. § 441a(f).

4 2. The Respondents accepted excessive contributions from political committees in
5 the amount of \$3,000 in violation of 2 U.S.C. § 441a(f).

6 3. The Respondents accepted a contribution in the name of others in the amount of
7 \$13,000 from Mr. Carl Nicholson in violation of 2 U.S.C. § 441f.

8 4. The Respondents accepted prohibited corporate contributions in the amount of
9 \$5,850 in violation of 2 U.S.C. § 441b(a).

10 5. The Respondents accepted excessive currency contributions in the amount of
11 \$9,205 in violation of 2 U.S.C. § 441g.

12 6. The Respondents failed to properly itemize contributions from individuals in
13 violation of 2 U.S.C. § 434(b)(3)(A).

14 VI. The Respondents will pay a civil penalty to the Federal Election Commission in
15 the amount of \$25,000 pursuant to 2 U.S.C. § 437g(a)(5)(A).

16 VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
17 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance
18 with this agreement. If the Commission believes that this agreement or any requirement thereof
19 has been violated, it may initiate a civil action for relief in the United States District Court for the
20 District of Columbia.

21 VIII. This agreement shall become effective as of the date that all parties thereto have
22 executed same and the Commission has approved the entire agreement.

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1 IX The Respondents shall have no more than 30 days from the date this agreement
2 becomes effective to comply with and implement the requirements contained in this agreement
3 and to so notify the Commission.

4 X This Conciliation Agreement constitutes the entire agreement between the parties
5 on the matters raised herein, and no other statement, promise, or agreement, either written or
6 oral, made by either party or by agents of either party, that is not contained in this written
7 agreement shall be enforceable.

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10 FOR THE COMMISSION:

11 Lawrence H. Norton
12 General Counsel
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18 BY: 


19 Gregory R. Baker
20 Acting Associate General Counsel
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22

8/16/02
Date

23 FOR THE RESPONDENTS:

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26 Allen L. Weintraub
27 Name for Friends of Ronnie Shows

5/1/02
Date

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30  Cecil Brown, Treasurer
31 Name W. C. Smith, Attorney
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4/16/02
Date